AMENDED IN SENATE MAY 15, 2003 AMENDED IN SENATE MAY 5, 2003 AMENDED IN SENATE APRIL 21, 2003

SENATE BILL No. 6

Introduced by Senator Alpert (Principal coauthor: Senator Florez)

(Coauthor: Assembly Member Liu)

December 2, 2002

An act to amend Sections 33000, 33030, 33111, 33112, 33140, 33301, 41320.1, 41325, 41326, 41327, 41328, 66010.4, 66010.6, 66010.7, 66901, 66902, 66941, 70901.5, 70902, 71000, 71090, 71092, and 87482.4 of, to amend, repeal, and add Sections 33302 and 33303 of, to add Sections 1242, 35161.5, 35502, 66900.3, and 66901.3 to, to add Chapter 6 (commencing with Section 500) to Part 1 of, and to repeal Sections 11005, 45357, 66903, 66903.2, 69563, 71090.5, 99181, and 99182 of the Education Code, relating to public education governance.

LEGISLATIVE COUNSEL'S DIGEST

SB 6, as amended, Alpert. Public education governance.

(1) Existing law provides for a county superintendent of schools in each county to, among other things, superintend the schools in his or her county, maintain responsibility for fiscal oversight of school districts, and enforce the course of study.

This bill would state the intent of the Legislature to require each county superintendent of schools to perform additional duties relating

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to education services, professional development, parental grievances, fiscal oversight, technology access, and facility compliance.

(2) Existing law requires several different state entities to collect various data relating to pupil achievement in prekindergarten, kindergarten through grade 12, and postsecondary education.

This bill would establish the California Education Commission to serve as the statewide education data repository. Under the bill, the commission would have ultimate responsibility for compiling data and providing analysis relating to the public education system as a whole, from prekindergarten to postsecondary education. The bill would also require the commission to coordinate communication and planning efforts between those education sectors. The bill would prescribe the membership of the commission.

(3) Existing law establishes the State Board of Education, consisting of 10 members appointed by the Governor, with the advice and consent of the Senate.

This bill would require the membership to be drawn from and represent distinct geographical regions of the state and to reflect the ethnic and gender diversity of the state's population.

(4) Existing law provides for the Superintendent of Public Instruction to superintend the schools of this state, and to execute the policies decided upon by the State Board of Education.

This bill would eliminate those provisions, and instead would provide that the superintendent shall be responsible for all aspects of accountability in the public schools other than fiscal accountability, as provided.

(5) Existing law provides that the State Board of Education shall be the governing and policy determining body of the State Department of Education

This bill would specify that the Director of Education is the governing and policy determining officer of the department and would set forth the duties and authority of the director. The bill would provide that certain provisions that set forth those duties would not become operative until January 20, 2007.

(6) Existing law provides for the Superintendent of Public Instruction to serve as the ex officio director of the State Department of Education.

This bill would provide that the above provision is repealed on January 20, 2007.

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The bill would, in addition, require the Governor to appoint a cabinet-level officer, known as the Secretary for Education, to carry out all state-level education operations, management duties, and programmatic functions, and to serve as the ex officio Director of Education. The bill would make those provisions operative on January 20, 2007. The bill would make related changes.

(7)—Existing law authorizes the governing board of a school district to initiate and carry on any program or activity, or to act in any manner that is not in conflict with or inconsistent with, or preempted by, any law and that is not in conflict with the purposes for which school districts are established.

This bill would state the intent of the Legislature to require the governing board of a school district to develop and implement policy to effectively operate schools that are responsive to both local community needs and to state academic standards and policy priorities. Among other things, the bill would permit the governing board to establish a vision for the goals and performance objectives of the school district, adopt a fiscally responsible budget based on the goals and objectives, seek partnerships with other entities and organizations, and provide support to ensure the success of its schools.

(8)

(5) Existing law authorizes a school district to be reorganized upon initiation by the electorate or upon recommendation by a county committee on school district organization.

This bill would state the intent of the Legislature to develop fiscal and governance incentives to encourage communities to organize their local schools into unified districts.

(9) Existing law provides that, when a school district becomes insolvent and accepts an emergency apportionment, the Superintendent of Public Instruction shall assume all the legal rights, duties, and powers of the governing board of the school district in order to ensure the school district's return to solvency.

This bill would instead require the Director for Education to assume those rights, duties, and powers. The bill would make related changes. (10)

(6) Existing law, known as the Donahoe Higher Education Act, sets forth, among other things, the missions and functions of California's public and independent segments of higher education, and their respective institutions of higher education. Among other things, the act establishes the California Postsecondary Education Commission as the

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statewide postsecondary education planning and coordinating agency and advisor to the Legislature and the Governor. Existing law requires the commission to provide data to the Legislature and the Governor through the completion and submission of various reports and studies.

This bill would generally recast and revise the statutes relating to the California Postsecondary Education Commission. The bill would delete provisions requiring the commission to perform various specified studies. The bill would set forth the primary functions of the commission, including-providing the provision of long-range planning for meeting the postsecondary education needs of Californians, providing policy and fiscal analyses regarding the most critical issues affecting the success of Californians attending postsecondary education institutions, coordinating relevant proposals of various public and private entities, advising the Legislature on appropriate accountability indicators for postsecondary education, evaluating and reporting to the Legislature and the Governor on the performance of public postsecondary institutions, reviewing and approving new campuses for public postsecondary education, and reviewing public postsecondary academic programs.

The bill would specify that the Chancellor of the California Community Colleges, the Chancellor of the California State University, the President of the University of California, and the President of the Association of Independent California Colleges and Universities are members of the advisory committee to the commission.

The bill would require the commission to submit an annual report to the chairs of the budget committees of both houses of the Legislature and to the Legislative Analyst regarding the record of the various segments of postsecondary education in responding to the commission's requests for information.

(11)

(7) Existing law establishes the California Community Colleges under the administration of the Board of Governors of the California Community Colleges. Existing law authorizes the establishment of community college districts under the administration of local community college governing boards, and authorizes these districts to provide instruction at community college campuses throughout the state. Existing law specifies that the primary mission of the California Community Colleges is to offer academic and vocational instruction through, but not beyond, the second year of college.

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This bill would recast and revise the provisions relating to the primary mission of the California Community Colleges. Among other things, the bill would authorize community colleges to provide instruction at the upper division level jointly with the California State University, the University of California, or an independent or private college or university that is accredited by the Western Association of Colleges and Universities.

The bill would expand the membership of the board of governors to include an appointee of the Speaker of the Assembly. The bill would include the Governor, the Lieutenant Governor, and the Superintendent of Public Instruction, as voting members, serving ex officio.

The bill would revise and streamline the provisions relating to the duties of local community college governing boards.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the 2 following:
- 3 (a) In order to guarantee that pupils receive the high-quality 4 education that is promised to them, accountability must be infused 5 throughout California's education system.

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- (1) A meaningful system of accountability includes clear expectations and clear definitions of the roles and responsibilities of all participants, evaluation of the outcomes of efforts, and provision of the means to influence institutional and educational improvement.
- (2) Effective accountability requires the linkage of responsibility and authority throughout the state's education system.
- (3) Accountability is fostered by clearly defining the responsibilities of each participant in the system, ensuring that sufficient authority is afforded to each participant to carry out those responsibilities, and then ensuring that those responsibilities are carried out.
- (b) Accountability must be shared among all participants in the education process, including pupils, parents, teachers and faculty, administrators, schools, colleges, universities, governing boards, other governmental entities, and the business and civic

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 communities, and the participants should be provided with a clear understanding of what is expected of each participant.

- (c) Accountability and educational improvement in California must be guided by valid, comprehensive, understandable, and regularly reported data that permits useful and informed decisions and judgments to be made about pupil learning and the conditions under which pupils learn. The data should also support systematic, long-term planning by state and local entities.
- (d) Local education agencies are uniquely situated to clearly identify the distinct and diverse needs of their pupils and communities, and to shape educational experiences to best meet those needs. Local decision making enhances the access of local residents to the policy functions of government, and that access can enhance community involvement and support in the educational process. Therefore, an appropriate degree of local control should be afforded as roles and responsibilities are delineated for participants in the education system.
- (e) California has made significant, though insufficient, progress towards instilling greater accountability in public education. However, efforts to improve educational accountability are currently complicated by overlapping responsibilities among state, regional, and local entities. A further complication is the lack of alignment between the responsibilities assigned to various entities and the authority those entities have been provided to carry out those responsibilities. These complications must be mitigated.
- (f) A primary responsibility of the state must be to clearly define a structure of governance for the public education system that meets the principles of accountability described in this section, that supports pupil learning, and that is sustainable.

SEC. 2.

- SEC. 2. It is the intent of the Legislature, by January 1, 2007, to revise and realign the functions of appropriate state officers and agencies to clearly define a structure of governance for the public education system that meets the principles of accountability described in Section 1 of the act adding this section, supports pupil learning, and is sustainable.
- SEC. 3. Chapter 6 (commencing with Section 500) is added to Part 1 of the Education Code, to read:

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CHAPTER 6. CALIFORNIA EDUCATION COMMISSION

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- 500. There is in the state government the California Education Commission. The California Education Commission has primary responsibility for compiling data and providing analysis relating to the public education system as a whole, including preschool, kindergarten through grade 12, and postsecondary education. The California Education Commission shall also coordinate communication and planning efforts among these education sectors.
- 501. (a) The California Education Commission shall be composed of eight members of the public, to be appointed as
 - (1) Four members shall be appointed by the Governor.
- (2) Two members shall be appointed by the Senate Committee
- (3) Two members shall be appointed by the Speaker of the Assembly.
- (b) The Superintendent of Public Instruction shall serve as the Chair of the California Education Commission.
- 502. (a) A member of the California Education Commission shall serve for a term of two years, and shall hold office until the appointment and qualification of his or her successor.
- (b) In order to achieve staggered terms among members of the commission, two of the members appointed to the California Education Commission in 2003 pursuant to paragraph (1) of subdivision (a) of Section 501 shall serve one-year terms. One member initially appointed to the California Education Commission in 2003 pursuant to paragraphs (2) and (3) of subdivision (a) of Section 501 shall serve a one-year term.
- 503. The primary duties of the California Education Commission shall include all of the following:
- (a) Providing long-range analysis and planning for meeting the educational needs of all Californians.
- (b) Providing policy and fiscal advice to the Legislature, the Superintendent of Public Instruction, and the Director of 36 Education based on data analysis that represents the public interest in the state's education system.
 - (c) Serving as the statewide education data repository.

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 (d) Evaluating the extent to which all public education institutions are operating consistent with state policy priorities.

- (e) Advising the Legislature and the Governor on the potential impacts of major education policy proposals and initiatives.
- (f) Coordinating statewide articulation of curriculum and assessment between the prekindergarten, kindergarten through grade 12, and postsecondary education sectors.
- (g) Providing long-term planning for the development of joint and other shared use of facilities and programs between prekindergarten, kindergarten through grade 12, and postsecondary education entities.
- (h) Sponsoring and directing intersegmental programs that benefit pupils making the transition from secondary schools to colleges and universities.
- (i) Coordinating outreach activities among prekindergarten, kindergarten through grade 12, postsecondary education, and work-sector entities.
- 504. The California Education Commission shall compile data necessary to allow the Superintendent of Public Instruction to assess the effectiveness of educational programs for elementary pupils and to integrate the data with other efforts to assess the Academic Performance Index.
- 505. It is the intent of the Legislature to identify and implement effective mechanisms to compel all agencies with responsibility for gathering and maintaining comprehensive data on one or more aspects of the state's education system, preschool through university, to submit data to the California Education Commission.

SEC. 3.

- SEC. 4. Section 1242 is added to the Education Code, to read: 1242. It is the intent of the Legislature to require each county office of education to do all of the following:
- (a) Provide educational services directly to pupils that attend small school districts, as defined by subdivision (c) of Section 44046, that are not able to provide a comprehensive array of curricular offerings or learning support.
- (b) Provide professional development to, or facilitate the provision of professional development for, education personnel in school districts requesting these services.

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(c) Serve, when authorized by law, as the appellate body for parents or guardians who disagree with a decision of the governing board of a school district.

- (d) Monitor fiscal decisions of the school districts in the county and, if necessary, intervene to prevent bankruptcy.
- (e) Serve as the primary catalyst and facilitating officer to ensure that all public schools in the county have access to a technology infrastructure that enables electronic exchange of information and educational materials.
- (f) Monitor the facility decisions of the school districts in the county to ensure that every school district maintains facilities that comply with state law.

SEC. 4.

SEC. 5. Section 11005 of the Education Code is repealed.

15 SEC. 5.

- SEC. 6. Section 33000 of the Education Code is amended to read:
- 33000. (a) There is in the state government a State Board of Education, consisting of 10 members, who are appointed by the Governor with the advice and consent of two-thirds of the Senate.
- (b) The membership of the State Board of Education shall be drawn from, and represent, distinct geographical regions of the state, and shall reflect the ethnic and gender diversity of the state's population.

SEC. 6.

- SEC. 7. Section 33030 of the Education Code is amended to read:
- 28 33030. The function of the board shall be limited to determining policy matters specified in law.
 - SEC. 7. Section 33111 of the Education Code is amended to read:
 - 33111. The Superintendent of Public Instruction shall be responsible for all aspects of accountability in the public schools other than fiscal accountability. In ensuring accountability, the Superintendent of Public Instruction shall do all of the following:
 - (a) Provide for and manage a comprehensive accountability system of pupil and institutional measurement that includes governance and policy instruments that aim to ensure adequate and equitable education.

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(b) Ensure compliance with special education and civil rights laws by all relevant participants in the education system.

- (e) Monitor the impact of state policy on the success of local kindergarten through grade 12 programs in fostering pupil achievement.
- (d) Monitor the implementation of state and federal programs to ensure that they meet the needs of all targeted pupils.
- (e) Publicly identify schools that fail to meet pupil achievement targets.
- (f) Define and implement a process for intervention in schools that fail to meet pupil achievement targets.
- (g) Serve as an advisor to the Legislature and the Governor on academic accountability, and act as an advocate to promote the state's Master Plan for Education and system accountability.
- (h) Act as the independent spokesperson for California's populace, and pupils in particular, on public discourse on educational issues.
- SEC. 8. Section 33112 of the Education Code is amended to read:
- 33112. The Superintendent of Public Instruction shall deliver over, at the expiration of his or her term of office, on demand, to his or her successor, all property, books, documents, maps, records, reports, and other papers belonging to his or her office, or which may have been received by him or her for the use of his or her office.
- SEC. 9. Section 33140 of the Education Code is amended to read:
- 33140. The duties of the Deputy Superintendent of Public Instruction and of the associate superintendents of public instruction appointed by the State Board of Education under Section 2.1 of Article IX of the Constitution of this state shall be those assigned to them by the Director of Education.
- SEC. 10. Section 33301 of the Education Code is amended to read:
- 33301. (a) The State Department of Education shall be administered through the Director of Education, who is the governing and policy determining officer of the department, and in whom all executive and administrative functions of the department are vested.

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(b) The Director of Education shall have authority over the operations of the prekindergarten through grade 12 public education system at large, and shall have ultimate responsibility for the delivery of education to pupils attending those schools.

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- (c) The duties of the Director of Education include all of the following:
- (1) Apportioning resources to schools to support teaching and learning pursuant to statutory and budgetary direction.
- (2) Managing a statewide financial accountability program, and overseeing local school district fiscal audit reviews.
- (3) Establishing education standards and other learning expectations for pupils, and adopting a periodic review process to modify those standards and expectations when necessary.
- (4) Establishing developmentally appropriate programs and operating standards for early childhood education and requiring continuity between the programs and standards for preschool and kindergarten.
 - (5) Administering school improvement programs.
- (6) Promoting an understanding of effective uses of data to improve pupil learning.
- (7) Making recommendations to the Legislature regarding the most appropriate state office or officer that should be responsible for the adoption of textbooks for kindergarten through grade 8.
- SEC. 11. Section 33302 of the Education Code is amended to read:
- 33302. (a) The Department of Education shall be conducted under the control of an executive officer known as the Director of Education.
- (b) This section shall remain in effect only until January 20, 2007, and as of that date is repealed, unless a later enacted statute, that is enacted before January 20, 2007, deletes or extends that date.
- SEC. 12. Section 33302 is added to the Education Code, to 34 read:
 - 33302. (a) The Governor shall appoint a cabinet level officer, known as the Secretary for Education, who shall carry out all state-level education operations, management duties, and programmatic functions, and serve as the ex officio Director of Education.
 - (b) This section shall become operative on January 20, 2007.

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SEC. 13. Section 33303 of the Education Code is amended to read:

- 33303. The Superintendent of Public Instruction is ex officio Director of Education.
- (b) This section shall remain in effect only until January 20, 2007, and as of that date is repealed, unless a later enacted statute, that is enacted before January 20, 2007, deletes or extends that date.
- 9 SEC. 14. Section 33303 is added to the Education Code, to 10 read:
 - 33303. (a) The Secretary for Education shall do all of the following:
 - (1) Prepare, have printed, and furnish to teachers and to all officers charged with the administration of the laws relating to the public schools, the blank forms and books necessary to the discharge of their duties, including blank teachers' certificates to be used by county and city and county boards of education.
 - (2) Authenticate, with his or her official seal, all drafts or orders drawn by him or her, and all papers and writings issued from his or her office.
 - (3) Have bound, at the state bindery, all valuable school reports, journals, and documents in his or her office, or received by him or her.
 - (4) Deliver over, on demand, at the expiration of his or her term of office, to his or her successor, all property, books, documents, maps, records, reports, and other papers belonging to his or her office, or which may have been received by him or her for the use of his or her office.
 - (5) Designate and appoint, or terminate the designation and appointment of, any officer or employee of the department to have the powers and liabilities of a deputy, including designation pursuant to Section 7.9 of the Government Code, which appointment and termination of appointment shall be effective when filed in writing in the office of the Secretary of State.
 - (6) Annually inform the governing boards of school districts of the provisions of Section 60510.5.
- 37 (b) This section shall become operative on January 20, 2007. SEC. 15.
- 39 SEC. 8. Section 35161.5 is added to the Education Code, to 40 read:

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35161.5. It is the intent of the Legislature to require each governing board of a school district to develop and implement policies to effectively operate schools that are responsive to both local community needs and to state academic standards and policy priorities. In developing and implementing these policies, the governing board may do all of the following:

- (a) Establish a vision for the goals and performance objectives of the school district.
- (b) Develop and adopt a policy to implement local, state, and federal goals, and to implement academic requirements for the prekindergarten through grade 12 system, as a whole, within the local context.
- (c) Recruit highly qualified individuals for senior level positions.
- (d) Ensure that the school district superintendent is meeting the goals and performance objectives of the district, and ensure that the school district superintendent holds district personnel accountable.
- (e) Adopt a fiscally responsible budget based on the district's goals and objectives, and regularly monitor the fiscal health of the district.
- (f) Allocate available resources within the district so as to balance basic needs, including appropriate staffing, security, and cleanliness, and allocate additional educational resources identified pursuant to the Quality Education Model to be developed pursuant to Part 38 (commencing with Section 64200).
- (g) Establish a framework for the district's collective bargaining process, if any, in conformity with law and adopt responsible agreements that reflect the interests of the public.
- (h) Adopt a curriculum for the district in accordance with state standards and monitor pupil progress.
- (i) Provide support, as necessary, to ensure the success of schools within the district.
- (j) Collaborate and seek partnerships with other local government entities, local employers, postsecondary education institutions, and community organizations.
- (k) With particular regard to middle and secondary schools, promote locally tailored efforts to achieve and maintain high rates of pupil attendance.

SEC. 16.

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1 SEC. 9. Section 35502 is added to the Education Code, to 2 read:

- 35502. (a) It is the intent of the Legislature to develop fiscal and governance incentives to encourage communities to organize their local schools into unified districts.
- (b) It is also the intent of the Legislature to eliminate all disincentives relative to school district unification.
- SEC. 17. Section 41320.1 of the Education Code is amended to read:
- 41320.1. Acceptance by the district of the apportionments made pursuant to Section 41320 shall constitute agreement by the district to all of the following conditions:
- (a) The Director of Education shall appoint a trustee who has recognized expertise in management and finance and may employ, on a short-term basis, any staff necessary to assist the trustee, including, but not limited to, certified public accountants, as follows:
- (1) The expenses incurred by the trustee and any necessary staff shall be borne by the district.
- (2) The Director of Education shall establish the terms and conditions of the employment, including the remuneration of the trustee. The trustee shall serve at the pleasure of, and report directly to, the Director of Education.
- (3) The trustee, and any necessary staff, shall serve until the loan called for by this section is repaid, the district has adequate fiscal systems and controls in place, and the Director of Education has determined that the district's future compliance with the fiscal plan approved for the district under Section 41320 is probable.
- (4) Before the district repays the loan, including interest, the recipient of the loan shall select an auditor from a list established by the Director of Education and the Controller to conduct an audit of its fiscal systems. If the fiscal systems are deemed to be inadequate, the Director of Education may retain the trustee until the deficiencies are corrected. The cost of this audit and any additional cost of the trustee shall be borne by the district.
- (5) Notwithstanding any other law, all reports submitted to the trustee shall be public records.
- (6) To facilitate the appointment of the trustee and the employment of any necessary staff, for the purposes of this section, the Director of Education is exempt from the requirements

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of Article 6 (commencing with Section 999) of Chapter 6 of Division 4 of the Military and Veterans Code and Part 2 (commencing with Section 10100) of the Public Contract Code.

- (7) Notwithstanding any other law, the Director of Education may appoint an employee of the State Department of Education to act as trustee for up to the duration of the trusteeship. The salary and benefits of that employee shall be established by the Director of Education and paid by the school district. During the time of appointment, the employee shall be deemed an employee of the school district, but shall remain in the same retirement system under the same plan as if the employee had remained in the department. Upon the expiration or termination of the appointment, the employee shall have the right to return to his or her former position, or to a position at substantially the same level as that position, with the department. The time served in the appointment shall be counted for all purposes as if the employee had served that time in his or her former position with the department.
- (b) The trustee appointed by the Director of Education shall monitor and review the operation of the district. During the period of his or her service, the trustee may stay or rescind any action of the local district governing board that, in the judgment of the trustee, may affect the financial condition of the district. The Director of Education may establish timelines and prescribe formats for reports and other materials to be used by the trustee to monitor and review the operations of the district. The trustee shall approve or reject all reports and other materials required from the district as a condition of receiving the apportionment. The Director of Education, upon the recommendation of the trustee, may reduce any apportionment to the district in an amount up to two hundred dollars (\$200) per day for each late or unacceptable report or other material required under Part 24 (commencing with Section 41000), and shall report to the Legislature any failure of the district to comply with the requirements of this section. If the Director of Education determines, at any time, that the fiscal plan approved for the district under Section 41320 is unsatisfactory, he or she may modify the plan as necessary, and the district shall comply with the plan as modified.
- (e) At the request of the Director of Education, the Controller shall transfer to the State Department of Education, from any

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apportionment to which the district would otherwise have been entitled pursuant to Section 42238, the amount necessary to pay the expenses incurred by the trustee and any associated costs incurred by the county superintendent of schools.

- (d) For the fiscal year in which the apportionments are disbursed and each year thereafter, the Controller, or his or her designee, shall cause an audit to be conducted of the books and accounts of the district, in lieu of the audit required by Section 41020. At the Controller's discretion, the audit may be conducted by the Controller, his or her designee, or an auditor selected by the district and approved by the Controller. The costs of these audits shall be borne by the district. These audits shall be required until the Controller determines, in consultation with the Director of Education, that the district is financially solvent, but in no event earlier than one year following the implementation of the plan or later than the time the apportionment made is repaid, including interest. In addition, the Controller shall conduct quality control reviews pursuant to subdivision (e) of Section 14504.2.
- (e) For all purposes of errors and omissions liability insurance policies, the trustee appointed pursuant to this section shall be deemed to be an employee of the local education agency to which he or she is assigned. For the purpose of workers' compensation benefits, the trustee shall be deemed an employee of the local education agency to which he or she is assigned, except that a trustee appointed pursuant to paragraph (7) of subdivision (a) shall be deemed an employee of the State Department of Education for that purpose.
- (f) Except for an individual appointed by the Director of Education as trustee pursuant to paragraph (7) of subdivision (a), the state appointed trustee shall be a member of the State Teachers' Retirement System, if qualified, for the period of service as trustee, unless the trustee elects in writing not to become a member. A person who is a member or retirant of the State Teachers' Retirement System at the time of appointment shall continue to be a member or retirant of the system for the duration of the appointment. If the trustee chooses to become a member or is already a member, the trustee shall be placed on the payroll of the school district for the purposes of providing appropriate contributions to the system. The Director of Education may also require that any individual appointed as trustee pursuant to

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paragraph (7) of subdivision (a) be placed on the payroll of the school district for purposes of remuneration, other benefits, and payroll deductions. For the purpose of workers' compensation benefits, the state-appointed trustee is deemed an employee of the local education agency to which he or she is assigned, except that a trustee who is appointed pursuant to paragraph (7) of subdivision (a) is deemed an employee of the State Department of Education for that purpose.

SEC. 18. Section 41325 of the Education Code is amended to read:

- 41325. (a) The Legislature finds and declares that when a school district becomes insolvent and requires an emergency apportionment from the state in the amount designated in this article, it is necessary that the Director of Education assume control of the district in order to ensure the district's return to fiscal solvency.
- (b) It is the intent of the Legislature that the Director of Education, operating through an appointed administrator, do all of the following:
- (1) Implement substantial changes in the district's fiscal policies and practices, including, if necessary, the filing of a petition under Chapter 9 of the federal Bankruptey Act (11 U.S.C. Sec. 901 et seq.) for the adjustment of indebtedness.
- (2) Revise the district's educational program to reflect realistic income projections, in response to the dramatic effect of the changes in fiscal policies and practices upon educational program quality and the potential for the success of all pupils.
- (3) Encourage all members of the school community to accept a fair share of the burden of the district's fiscal recovery.
- (4) Consult, for the purposes described in this subdivision, with the school district governing board, the exclusive representatives of the employees of the district, parents, and the community.
- (5) Consult with and seek recommendations from the county superintendent of schools for the purposes described in this subdivision.
- SEC. 19. Section 41326 of the Education Code is amended to read:
- 41326. (a) Notwithstanding any other provision of this code, the acceptance by a school district of an apportionment made pursuant to Section 41320 that exceeds an amount equal to 200

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 percent of the amount of the reserve recommended for that district under the standards and criteria adopted pursuant to Section 33127 shall constitute agreement by the district to the conditions set forth in this article. Prior to applying for an emergency apportionment in the amount identified in this subdivision, a school district governing board shall discuss the need for that apportionment at a regular or special meeting of the governing board and, at that meeting, shall receive testimony regarding the apportionment from parents, exclusive representatives of employees of the district, and other members of the community. For purposes of this article, "qualifying school district" means a school district that accepts a loan as described in this subdivision.

- (b) The Director of Education shall assume all the legal rights, duties, and powers of the governing board of a qualifying school district. The Director of Education, in consultation with the county superintendent of schools, may appoint an administrator to act on his or her behalf in exercising the authority described in this subdivision and may, on a short-term basis employ any staff necessary to assist the administrator, including, but not limited to, a certified public accountant, as follows:
- (1) The state-appointed administrator shall serve under the direction and supervision of the Director of Education until terminated by the Director of Education at his or her discretion. The Director of Education shall consult with the county superintendent of schools before terminating the administrator.
- (2) The state-appointed administrator shall have recognized expertise in management and finance.
- (3) To facilitate the appointment of the administrator and the employment of any necessary staff, for the purposes of this section, the Director of Education is exempt from the requirements of Article 6 (commencing with Section 999) of Chapter 6 of Division 4 of the Military and Veterans Code and Part 2 (commencing with Section 10100) of the Public Contract Code.
- (4) Notwithstanding any other law, the Director of Education may appoint an employee of the State Department of Education to act as administrator for up to the duration of the administratorship. The salary and benefits of that employee shall be established by the Director of Education and paid by the school district. During the time of appointment, the employee shall be deemed an employee of the school district, but shall remain in the same retirement

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system under the same plan as if the employee had remained in the department. Upon the expiration or termination of the appointment, the employee shall have the right to return to his or her former position, or to a position at substantially the same level as that position, with the department. The time served in the appointment shall be counted for all purposes as if the employee had served that time in his or her former position with the department.

- (c) For the period of time during which the Director of Education exercises the authority described in subdivision (b), the governing board of the qualifying school district shall serve as an advisory body reporting to the state-appointed administrator, in which capacity no member of the governing board shall be paid or entitled to any stipend, benefits, or other compensation.
- (d) Notwithstanding Section 35031 or any other law, the employment of any district superintendent of schools, or deputy, associate, or assistant superintendent of schools, or other person employed in an equivalent capacity, whose duties include overseeing, managing, or otherwise directing the fiscal and budgetary operations of the school district, and who is employed by a school district under a contract of employment signed or renewed after the effective date of this article may be terminated by the state-appointed administrator, in accordance with appropriate notice and hearing procedures, if the employee fails to document, to the satisfaction of the state-appointed administrator, that prior to the date of that acceptance he or she either advised the governing board of the district, or his or her superior, that actions contemplated or taken by the governing board could result in the fiscal insolvency of the district, or took other appropriate action to avert that fiscal insolvency.
- (e) The authority of the Director of Education, and the state-appointed administrator, under this section shall continue until all of the following occur:
- (1) Two complete fiscal years have elapsed following the district's acceptance of a loan as described in subdivision (a), or, at any time after one complete fiscal year has elapsed following that acceptance, the state-appointed administrator determines, and so notifies the Director of Education, that future compliance by the school district with the recovery plans approved pursuant to paragraph (2) is probable.

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(2) The Director of Education has approved all of the recovery plans referred to in subdivision (a) of Section 41327.

- (3) The state-appointed administrator certifies that all necessary collective bargaining agreements have been negotiated and ratified, and that the agreements are consistent with the terms of the recovery plans.
- (4) The district has completed all reports required by the Director of Education.
- (5) The Director of Education determines that future compliance by the school district with the recovery plans approved pursuant to paragraph (2) is probable.
- (f) When the conditions stated in subdivision (e) have been met, the school district governing board shall regain all of its legal rights, duties, and powers, except for the powers held by the trustee provided for pursuant to Article 2 (commencing with Section 41320). The Director of Education shall then appoint a trustee under Section 41320.1 to monitor and review the operations of the district until the conditions of subdivision (b) of that section have been met.
- (g) Notwithstanding subdivision (f), if the district violates any provision of the recovery plans approved by the Director of Education pursuant to this article, the Director of Education may reassume, either directly or through an administrator appointed in accordance with this section, all of the legal rights, duties, and powers of the governing board of the district. The Director of Education shall return to the school district governing board all of its legal rights, duties, and powers reassumed under this subdivision when he or she determines that future compliance with the approved recovery plans is probable, or after a period of one year, whichever occurs later.
- (h) Article 2 (commencing with Section 41320) shall apply except as otherwise specified in this article.
- (i) It is the intent of the Legislature that the legislative budget subcommittees annually conduct a review of each qualifying school district that includes an evaluation of the financial condition of the district, the impact of the recovery plans upon the district's educational program, and the efforts made by the state appointed administrator to obtain input from the community and the governing board of the district.

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SEC. 20. Section 41327 of the Education Code is amended to read:

41327. (a) In accordance with timelines, instructions, and a format established by the Director of Education, the state-appointed administrator shall prepare or obtain the following reports and plans:

(1) A management review and recovery plan.

- (2) A multiyear financial recovery plan. The multiyear financial recovery plan shall include a plan, to be submitted annually on or before July 1, to repay to the state any and all loans owed by the district. Pursuant to the multiyear financial recovery plan, the repayment by the district of any state loans shall comply with all of the following, notwithstanding any provision of Article 2 (commencing with Section 41320):
- (A) The loan or loans shall be repaid over a period of no more than 10 years following the initial disbursement of moneys under a loan as described in subdivision (a) of Section 41326. The repayment of the loan or loans shall commence not later than the fiscal year following the year in which the loan described in that subdivision is made.
- (B) Interest shall accrue on the loan or loans as of the date the funds are received, at the average annual investment rate of the pooled investment account.
- (3) During the period of service by the state-appointed administrator, an annual report on the financial condition of the district, including, but not necessarily limited to, all of the following information:
- (A) Specific actions taken to reduce district expenditures or increase income to the district, and the amount of the resulting cost savings and increases in income.
- (B) A copy of the adopted district budget for the current fiscal vear.
 - (C) The amount of the district budgetary reserve.
 - (D) The status of employee contracts.
- (E) Any obstacles to the implementation of the recovery plans described in paragraphs (1) and (2).
- (b) Each of the reports or plans required under this section, or under any other provision of law that requires the district to prepare reports or plans, shall be submitted to the Director of Education for approval, after his or her consideration of comments

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 and recommendations of the county superintendent of schools. The Director of Education may accept and approve, for the purposes of this section, any reports or plans that were prepared by or for the district prior to the district's acceptance of a loan as described in subdivision (a) of Section 41326.

(e) With the approval of the Director of Education, the state-appointed administrator may enter into agreements on behalf of the district and, subject to any contractual obligation of the district, change any existing district rules, regulations, policies, or practices as necessary for the effective implementation of the recovery plans referred to in subdivision (a).

SEC. 21. Section 41328 of the Education Code is amended to read:

41328. (a) The school district shall bear 60 percent, and the county office of education of the county in which the district is located shall bear 40 percent, not to exceed three times the amount of funding made available to implement Article 2 (commencing with Section 42120) of Chapter 6, of all costs associated with implementing the provisions of this article, including, as to a loan as described in subdivision (a) of Section 41326, the provisions of Article 2 (commencing with Section 41320). The Director of Education shall withhold from the apportionments to be made from the State School Fund to the district and to the county office of education, respectively, the amounts due pursuant to this subdivision. The costs referred to in this subdivision do not include the principal and interest on the emergency apportionment, which shall be paid by the district in accordance with this article.

- (b) Notwithstanding subdivision (a), the district receiving the loan shall pay all costs associated with the implementation of this article, if either of the following occurs:
- (1) The county office of education, in which the district is located, seeks and is granted a waiver from the State Board of Education based on financial hardship. The waiver may be granted if the state board finds that the payment of the costs required by subdivision (a) will compel the county office of education to seek a loan from the Legislature in order to meet its financial obligations. As part of the waiver request, the county superintendent of schools and the county board of education shall both certify that the financial hardship exists. The waiver is only applicable in the fiscal year in which it is granted.

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(2) The county office of education, in which the district is located, seeks and is granted a waiver from the state board based on its implementation and compliance with Sections 42127, 42127.1, 42127.2, 42127.3, 42127.6, and 42131. This waiver shall be applicable until the loan is paid off by the district.

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- (e) In order to determine whether to grant either of the waivers allowed in subdivision (b), the state board shall receive input and recommendations exclusively from the district, the county office involved, and the county office fiscal crisis and management assistance team established by Section 42127.8. This input shall include, but not be limited to, the reasons the waiver should or should not be granted.
- (d) The state-appointed administrator shall be deemed an employee of the qualifying school district for all purposes of errors and omissions liability insurance policies.
- (e) Except for an individual appointed as administrator by the Director of Education pursuant to paragraph (4) of subdivision (b) of Section 41326, an administrator appointed pursuant to that section shall be a member of the State Teachers' Retirement System, if qualified, for the period of service as administrator, unless the administrator elects in writing not to become a member. A person who is a member or retirant of the State Teachers' Retirement System at the time of appointment shall continue to be a member or retirant of the system for the duration of the appointment. If the administrator chooses to become a member or is already a member, the administrator shall be placed on the payroll of the school district for the purposes of providing appropriate contributions to the system. The Director of Education may also require that any individual appointed as administrator pursuant to Section 41326 be placed on the payroll of the school district for purposes of remuneration, other benefits, and payroll deductions. For the purpose of workers' compensation benefits, the state-appointed administrator shall be deemed an employee of the local education agency to which he or she is assigned, except that an administrator appointed pursuant to paragraph (4) of subdivision (b) of Section 41326 shall be deemed an employee of the State Department of Education for that purpose.
- 38 (f) This section shall become operative on July 1, 1993.
- 39
- SEC. 22. Section 45357 of the Education Code is repealed.

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SEC. 23. Section 66010.4 of the Education Code is amended to read:

- 66010.4. The missions and functions of California's public and independent segments, and their respective institutions of higher education shall be differentiated as follows:
- (a) (1) The California Community Colleges shall, as a primary mission, offer instruction in the general or liberal arts or sciences through, but not beyond the second year of college, except that these institutions may provide instruction at the upper division level jointly with the California State University, the University of California, or an independent or private college or university that is accredited by the Western Association of Colleges and Universities. Community colleges shall provide education, training, and services that advance California's economic growth, and vocational and technical instruction leading to employment, as well as community services. Community college instruction shall lead to the granting of the associate in arts or the associate in science degree, or to transfer to other institutions.
- (2) In addition to the primary mission of academic and vocational instruction, the community colleges shall offer instruction and courses to achieve all of the following:
- (A) The provision of remedial instruction for those in need of it and, in conjunction with the school districts, instruction in English as a second language, adult noncredit instruction, and support services which help students succeed at the postsecondary level are reaffirmed and supported as essential and important functions of the community colleges.
- (B) The provision of adult noncredit education curricula in areas defined as being in the state's interest is an essential and important function of the community colleges.
- (C) The provision of community services courses and programs is an authorized function of the community colleges so long as their provision is compatible with an institution's ability to meet its obligations in its primary missions.
- (3) A primary mission of the California Community Colleges is to advance California's economic growth and global competitiveness through education, training, and services that contribute to continuous workforce improvement.
- (4) The community colleges may conduct, to the extent that state funding is provided, institutional research concerning student

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learning and retention as is needed to facilitate their educational missions.

- (b) The California State University shall offer undergraduate and graduate instruction through the master's degree in the liberal arts and sciences and professional education, including teacher education. Presently established two-year programs in agriculture are authorized, but other two-year programs shall be permitted only when mutually agreed upon by the Trustees of the California State University and the Board of Governors of the California Community Colleges. The doctoral degree may be awarded jointly with the University of California, as provided in subdivision (c) and pursuant to Section 66904. The doctoral degree may also be awarded jointly with one or more independent institutions of higher education, provided that the proposed doctoral program is approved by the California Postsecondary Education Commission. Research, scholarship, and creative activity in support of its undergraduate and graduate instructional mission is authorized in the California State University and shall be supported by the state. The primary mission of the California State University is undergraduate and graduate instruction through the master's degree.
- (e) The University of California may provide undergraduate and graduate instruction in the liberal arts and sciences and in the professions, including the teaching professions. It shall have exclusive jurisdiction in public higher education over instruction in the profession of law and over graduate instruction in the professions of medicine, dentistry, and veterinary medicine. It has the sole authority in public higher education to award the doctoral degree in all fields of learning, except that it may agree with the California State University to award joint doctoral degrees in selected fields. The University of California shall be the primary state-supported academic agency for research.
- (d) The independent institutions of higher education shall provide undergraduate and graduate instruction and research in accordance with their respective missions.
- 36 SEC. 24.
- 37 SEC. 10. Section 45357 of the Education Code is repealed.
- 38 SEC. 11. Section 66010.6 of the Education Code is amended
- 39 to read:

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 66010.6. The missions of agencies charged with coordination, administration, or implementation of higher education policies and programs in California shall be as follows:

- (a) (1) The California Postsecondary Education Commission is the statewide postsecondary education coordinating and planning agency. The commission shall serve as a principal fiscal and program advisor to the Governor and the Legislature on postsecondary educational policy.
- (2) The California Postsecondary Education Commission shall consult with the postsecondary educational segments and with relevant state agencies, including the Student Aid Commission, the Superintendent of Public Instruction, and other relevant parties, in its preparation of analyses and recommendations to the Governor and the Legislature. However, the commission shall remain an independent and nonpartisan body responsible for providing an integrated and segmentally unbiased view for purposes of state policy formulation and evaluation.
- (b) (1) The Student Aid Commission is the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education. These programs include grant, work study, and loan programs supported by the state and the federal government.
- (2) Consistent with this responsibility, the Student Aid Commission shall provide, in consultation with the postsecondary education segments and relevant state agencies, policy leadership on student financial aid issues, evaluate the effectiveness of its programs, conduct research and long-range planning as a foundation for program improvement, report on total state financial aid needs, and disseminate information to students and their families.

SEC. 25.

- *SEC. 12.* Section 66010.7 of the Education Code is amended to read:
- 66010.7. (a) The Legislature, through the enactment of this section, expresses its commitment to encourage and support collaboration and coordination among all segments of education.
- 38 (b) Within the differentiation of segmental functions outlined 39 in this article, the institutions of higher education shall undertake

SB 6

intersegmental collaboration and coordination particularly when it can do any of the following:

- (1) Enhance the achievement of the institutional missions shared by the segments.
- (2) Provide more effective planning of postsecondary education on a statewide basis.
 - (3) Facilitate achievement of the goals of educational equity.
- (4) Enable public and independent higher education to meet more effectively the educational needs of a geographic region.
- (5) Facilitate student progress from one segment to another, particularly with regard to preparation of students for higher education as well as the transfer from the California Community Colleges to four-year institutions.
- (c) The leaders responsible for public and independent 15 institutions of higher education and the Superintendent of Public Instruction shall work together to promote and facilitate the development of intersegmental programs and other cooperative efforts aimed at improving the progress of students through the educational systems and at strengthening the teaching profession at all levels.

SEC. 26.

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- SEC. 13. Section 66900.3 is added to the Education Code, to read:
- 66900.3. The primary functions of the commission include all of the following:
- (a) Providing long-range planning for meeting postsecondary education needs of Californians, including the adequate provision of facilities, programs, and campuses, and assessing and advising state policymakers regarding priorities dictated by current and evolving public needs.
- (b) Providing policy and fiscal analyses regarding the most critical issues affecting the success of Californians in attending and graduating from postsecondary education institutions.
- (c) Coordinating the analyses, policy recommendations, and long-range planning proposals of various public and private entities, as needed, to secure the long-term fiscal stability and public financing of public postsecondary education, including the development of student fee and financial aid policies and the efficient use of state resources across segmental boundaries.

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> (d) Advising the Legislature on appropriate accountability indicators for postsecondary education, to be adopted in statute, and subsequently reporting annually to the Legislature and the Governor on the performance of public postsecondary institutions in meeting the adopted indicators.

- (e) Evaluating and reporting to the Legislature and the Governor on the extent to which public postsecondary education institutions are operating consistently with state policy priorities and discharging the responsibilities assigned to them in statute.
- (f) Reviewing and approving new campuses for public postsecondary education.
- (g) Reviewing academic programs for public postsecondary education institutions.

SEC. 27.

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- (h) Serve as the statewide repository for postsecondary 16 education data, and act as a clearinghouse for postsecondary education information.
 - SEC. 14. Section 66901 of the Education Code is amended to read:
 - 66901. There is hereby created the California Postsecondary Education Commission, which shall be advisory to the Governor, the Legislature, other appropriate governmental officials, and institutions of postsecondary education. The commission shall be composed of the following members:
 - (a) One representative of the Regents of the University of California designated by the regents, one representative of the Trustees of the California State University designated by the trustees, and one representative of the Board of Governors of the California Community Colleges designated by the board. Representatives of the regents, the trustees, and the board of governors shall be chosen from among the appointed members of their respective boards, but in no instance shall an ex officio member of a governing board serve on the commission.
 - (b) One representative of the independent California colleges and universities that are formed and operated as nonprofit corporations in this state and are accredited by a regional association that is recognized by the United States Department of Education. This member shall be appointed by the Governor from a list or lists submitted by an association or associations of those institutions.

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(c) The President of the State Board of Education or his or her designee from among the other members of the board.

- (d) Nine representatives of the general public appointed as follows: three by the Governor, three by the Senate Rules Committee, and three by the Speaker of the Assembly. It is the intent of the Legislature that the commission be broadly and equitably representative of the general public in the appointment of its public members and that the appointing authorities, therefore, shall confer to assure that their combined appointments include adequate representation on the basis of sex and on the basis of the significant racial, ethnic, and economic groups in the state.
- (e) Two student representatives, each of whom shall be enrolled at a California postsecondary education institution at the time of appointment and during the term of service, except that a student member who graduates from an institution with no more than six months of his or her term remaining shall be permitted to serve for the remainder of the term. The Governor shall appoint the student members from persons nominated by the appropriate student organizations of each of the postsecondary education segments. For each student member of the commission, the appropriate student organization may submit a list of nominees. The list shall specify not less than three and not more than five nominees. The appropriate student organization for each segment shall be a composite group of at least five representative student government associations, as determined by the commission.
- (f) The student member appointed to the commission shall not be enrolled in the same segment as the outgoing student member or in the same segment of the other sitting student member.
- (g) No person who is employed by any institution of public or private postsecondary education shall be appointed to or serve on the commission, except that a person who is not a permanent, full-time employee and who has part-time teaching duties that do not exceed six hours per week may be appointed to and serve on the commission.
- (h) (1) The commission members designated in subdivisions (a) and (d) shall serve at the pleasure of their respective appointing authorities. The member designated in subdivision (b) shall serve a three-year term. The members designated in subdivision (d) shall each serve a six-year term. The members designated in subdivision (e) shall each serve a two-year term. The respective appointing

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authority may appoint an alternate for each member who may, during the member's absence, serve on the commission and vote on matters before the commission. When vacancies occur prior to expiration of terms, the respective appointing authority may appoint a member for the remainder of the term.

- (2) Any person appointed pursuant to this section may be reappointed to serve additional terms.
- (3) All terms subsequent to the initial appointments, which became effective on January 10, 1974, shall begin on January 1 of the year in which the respective terms are to start.
- (4) Any person appointed pursuant to this section who no longer has the position that made him or her eligible for appointment may nonetheless complete his or her term of office on the commission.
- (i) No person appointed pursuant to this section shall, with 16 respect to any matter before the commission, vote for or on behalf of, or in any way exercise the vote of, any other member of the commission.
 - (i) (1) The commission shall meet as often as it deems necessary to carry out its duties and responsibilities.
 - (2) Any member of the commission who in any calendar year misses more than one-third of the meetings of the full commission forfeits his or her office, thereby creating a vacancy.
 - (k) (1) The commission shall select a chair from among the members representing the general public. The chair shall hold office for a term of one year and may be selected to successive terms.
- (2) In addition to the advisory committee established by Section 66901.3, the commission may appoint any subcommittees 30 or advisory committees it deems necessary to advise the commission on matters of educational policy. The advisory committees may consist of commission members or nonmembers, or both, including students, faculty members, segmental representatives, governmental representatives, representatives of the public.
 - (3) The commission shall appoint and may remove a director in the manner hereafter specified. The director shall appoint persons to any staff positions the commission may authorize.

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- (*l*) The commission shall prescribe rules for the transaction of its own affairs. These rules shall be subject to all the following requirements and limitations:
 - (1) The votes of all representatives shall be recorded.
- (2) Effective action shall require the affirmative vote of a majority of all the duly appointed members of the commission, not including vacant commission seats.
- (3) The affirmative votes of two-thirds of all the duly appointed members of the commission, not including vacant commission seats, shall be necessary to the appointment of the director.

SEC. 28.

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- SEC. 15. Section 66901.3 is added to the Education Code, to read:
- 66901.3. (a) An advisory committee to the commission and the director is established. All of the following are members of the advisory committee:
 - (1) The Chancellor of the California Community Colleges.
 - (2) The Chancellor of the California State University.
 - (3) The President of the University of California.
- (4) The President of the Association of Independent California Colleges and Universities.
 - (5) The Superintendent of Public Instruction.
- (b) Any member of the advisory committee may designate an executive-level staff person to participate in meetings and other activities of the advisory committee as his or her representative.
- (c) Commission agenda items and associated documents shall be provided to the advisory committee in a timely manner for its consideration and comments.

SEC. 29.

- *SEC. 16.* Section 66902 of the Education Code is amended to read:
- 66902. (a) The commission is authorized to require the governing bodies and institutions of each segment of public postsecondary education to submit data on any matters deemed pertinent by the commission.
- (b) Each fiscal year, immediately prior to the deliberations of the Legislature relating to the budget for the segments of public postsecondary education, the commission shall submit a report to the respective chairs of the budget committees of the houses of the Legislature and to the Legislative Analyst regarding the record of

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- the various segments in responding to the commission's requests for information.
- 3 (c) The commission shall furnish timely information in 4 response to requests of the Governor or the Legislature.
- 5 SEC. 30.
- 6 SEC. 17. Section 66903 of the Education Code is repealed.
- 7 SEC. 31.
- 8 SEC. 18. Section 66903.2 of the Education Code is repealed.
 - SEC. 32.

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- 10 SEC. 19. Section 66941 of the Education Code is amended to 11 read:
 - 66941. The Legislature finds and declares that access to a high quality education is the primary goal for the use of educational technology in higher education. All students in California's public schools and colleges and all adults in the state shall have access to educational opportunities for which they are qualified, regardless of their income level, geographic location, or the size of the school they attend.
- 19 SEC. 33.
- 20 SEC. 20. Section 69563 of the Education Code is repealed.
 - SEC. 34. Section 70901 of the Education Code is amended to read:
 - 70901. (a) The Board of Governors of the California Community Colleges shall provide leadership and direction in the continuing development of the California Community Colleges as an integral and effective element in the structure of public higher education in the state. The work of the board of governors shall, at all times, be directed to maintaining and continuing, to the maximum degree permissible, local authority and control in the administration of the California Community Colleges, except in those areas explicitly assigned to the board of governors under paragraphs (3) to (8), inclusive, of subdivision (b).
 - (b) Subject to, and in furtherance of, subdivision (a), and in consultation with community college districts and other interested parties as specified in subdivision (c), the board of governors shall perform the following functions:
 - (1) Exercise general supervision over, and coordinate, the local community college districts, including the provision of assistance when community college districts encounter severe management difficulties.

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(2) Provide leadership and direction through research and planning.

- (3) Establish minimum conditions and standards for all districts to receive state support and to function within the system, including standards for the formation of new community college districts and the reorganization of existing community college districts.
- (4) Establish specific accountability measures, and ensure evaluation of district performance based on those measures.
- (5) Review and approve programs of instruction that lead to certificates, degrees, or transfer eligibility.
- (6) Administer state operational and capital outlay support programs.
- (7) Adopt a proposed system budget and allocation process. The proposed budget shall include the student fee level deemed to be necessary by the board of governors.
- (8) Ensure systemwide transfer and articulation with other segments of education.
- (9) Represent the districts before state and national legislative and executive agencies.
- (c) Subject to, and in furtherance of, subdivision (a), the board of governors shall have full authority to adopt rules and regulations necessary and proper to execute the functions specified in this section as well as other functions that the board of governors is expressly authorized by statute to regulate.
- (d) Wherever in this section or any other statute a power is vested in the board of governors, the board of governors, by a majority vote, may adopt a rule delegating that power to the chancellor, or any officer, employee, or committee of the California Community Colleges, or community college district, as the board of governors may designate. However, the board of governors shall not delegate any power that is expressly made nondelegable by statute. Any rule delegating authority shall prescribe the limits of delegation.
- (e) In performing the functions specified in this section, the board of governors shall establish and carry out a process for consultation with institutional representatives of community college districts so as to ensure their participation in the development and review of policy proposals. The consultation process shall also afford community college organizations, as well

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as interested individuals and parties, an opportunity to review and
 comment on proposed policy before it is adopted by the board of
 governors.

SEC. 35.

SEC. 21. Section 70901.5 of the Education Code is amended to read:

- 70901.5. (a) The board of governors shall establish procedures for the adoption of rules and regulations governing the California Community Colleges. Among other matters, the procedures shall implement the following requirements:
- (1) Written notice of a proposed action shall be provided to each community college district and to all other interested parties and individuals, including the educational policy and fiscal committees of the Legislature and the Department of Finance, at least 45 days in advance of adoption. The regulations shall become effective no earlier than 30 days after adoption.
- (2) The proposed regulations shall be accompanied by a determination of the effect of the proposed regulations with regard to the costs or savings to any state agency, the cost of any state-mandated local program as governed by Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code, any other costs or savings of local agencies, and the costs or savings in federal funding provided to state agencies. The board of governors shall use the consultation process established pursuant to subdivision (b) of Section 70901 in developing the determination under this subdivision.
- (3) The board of governors shall ensure that all proposed regulations of the board meet the standards of "necessity," "authority," "clarity," "consistency," "reference," and "nonduplication," as those terms are defined in Section 11349 of the Government Code. A district governing board or any other interested party may challenge any proposed regulatory action regarding the application of these standards.
- (4) Prior to the adoption of regulations, the board of governors shall consider and respond to all written and oral comments received during the comment period.
- (5) The effective date for a regulation shall be suspended if, within 30 days after adoption by the board of governors, at least two-thirds of all governing boards vote, in open session, to ______ governing boards vote, in open session, to disapprove the

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regulation. With respect to any regulation so disapproved, the board of governors shall provide at least 45 additional days for review, comment, and hearing, including at least one hearing before the board itself. After the additional period of review, comment, and hearing, the board may do any of the following:

(A) Reject or withdraw the regulation.

- (B) Substantially amend the regulation to address the concerns raised during the additional review period, and then adopt the revised regulation. The regulation shall be treated as a newly adopted regulation, and shall go into effect in accordance with those procedures.
- (C) Readopt the regulation as originally adopted, or with those nonsubstantive, technical amendments deemed necessary to clarify the intent of the original regulation. If the board of governors decides to readopt a regulation, with or without technical amendments, it shall also adopt a written declaration and determination regarding the specific state interests it has found necessary to protect by means of the specific language or requirements of the regulation. A readopted regulation may then be challenged pursuant to existing law in a court of competent jurisdiction, and shall not be subject to any further appeal within the California Community Colleges.
- (6) (A) It is the intent of the Legislature to appropriate in the annual Budget Act funds for the purpose of offsetting net cumulative costs of regulations adopted by the board pursuant to this division. The board of governors may consider the net cumulative costs or savings to local districts of regulations proposed in a fiscal year.
- (B) As to any regulation that the board of governors determines would create a state-mandated local program cost, the board of governors shall not adopt the regulation until the Department of Finance has certified to the board of governors and to the Legislature that a source of funds is available to reimburse that cost.
- (7) (A) The Legislature finds and declares that, pursuant to Section 6 of Article XIII B of the California Constitution, a subvention of funds need not be provided for either of the following mandates:
 - (i) Mandates requested by the affected local agency.

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(ii) Mandates enacted prior to January 1, 1975, or executive orders or regulations initially implementing legislation enacted prior to January 1, 1975.

- (B) Notwithstanding Chapter 4 (commencing with Section 17550) of Part 7 of Division 4 of the Government Code, the action of the board of governors regarding regulations adopted pursuant to this section or pursuant to these exceptions shall be determinative with respect to the requirements of Section 6 of Article XIII B of the Constitution, and shall not be subject to review by the Commission on State Mandates. In exercising this responsibility, the board of governors shall make its determinations in accordance with Section 17556 of the Government Code and in a manner consistent with the rules, standards, and precedential decisions of the Commission on State Mandates.
- (8) Any district or other interested party may propose a new regulation or challenge any existing regulation.
- (b) Except as expressly provided by this section, and except as provided by resolution of the board of governors, the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to regulations adopted by the board of governors.
- SEC. 36. Section 70902 of the Education Code is amended to read:
- 70902. (a) (1) Every community college district shall be under the control of a board of trustees, which is referred to herein as the "governing board." The governing board of each community college district shall establish, maintain, operate, and govern one or more community colleges in accordance with law. In so doing, the governing board may initiate and carry on any program, activity, or may otherwise act in any manner that is not in conflict with or inconsistent with, or preempted by, any law and that is not in conflict with the purposes for which community college districts are established.
- (2) The governing board of each community college district shall establish rules and regulations not inconsistent with the regulations of the board of governors and the laws of this state for the government and operation of one or more community colleges in the district

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(b) In furtherance of the provisions of subdivision (a), the governing board of each community college district shall do all of the following:

- (1) Establish, maintain, and oversee each college of the district.
- (2) Ensure that the district meets the minimum conditions and standards established by the board of governors.
- (3) Establish policies for local academic, operations, and facilities planning and management to ensure that the statutory mission is accomplished within the conditions and standards established by the board of governors.
- (4) Adopt local district budgets, including the establishment of student fees as set by the board of governors and authorized by existing law.
- (5) Oversee the procurement and management of the real property of the district.
 - (6) Establish policies governing student conduct.
- (7) Establish policies to guide new course development, course revision or deletion, and curricular quality.
- (8) Determine the need for elections for tax levies and bond measures, and request that those elections be called.
- (9) Employ and assign all personnel consistent with the minimum standards adopted by the board of governors, and establish employment practices, salaries, and benefits for all employees consistent with the requirements of state law.
- (e) In carrying out the powers and duties specified in subdivision (b) or other provisions of statute, the governing board of each community college district shall have full authority to adopt rules and regulations, not inconsistent with the regulations of the board of governors and the laws of this state, that are necessary and proper to executing these prescribed functions.
- (d) Wherever in this section or any other statute a power is vested in the governing board, the governing board of a community college district, by majority vote, may adopt a rule delegating the power to the district's chief executive officer or any other employee or committee as the governing board may designate; provided, however, that the governing board shall not delegate any power that is expressly made nondelegable by statute. Any rule delegating authority shall prescribe the limits of the delegation.
- SEC. 37.

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1 SEC. 22. Section 71000 of the Education Code is amended to 2 read:

- 71000. (a) There is in the state government a Board of Governors of the California Community Colleges, consisting of 20 voting members and one nonvoting member.
- (b) Sixteen of the voting members, and the nonvoting member, shall each be appointed by the Governor, as follows:
- (1) Thirteen members, each appointed with the advice and consent of two-thirds of the membership of the Senate to six-year staggered terms. Two of these members shall be current or former elected members of local community college district governing boards.
- (2) (A) (i) One voting student member, and one nonvoting student member, who exercise their duties in accordance with the procedure set forth in subparagraph (C).
- (ii) These students shall be enrolled in a community college with a minimum of five semester units, or its equivalent, at the time of the appointment and throughout the period of their terms, or until a replacement has been named. A student member shall be enrolled in a community college at least one semester prior to his or her appointment, and shall meet and maintain the minimum standards of scholarship prescribed for community college students.
- (iii) Each student member shall be appointed from a list of names of at least three persons submitted to the Governor by the California Student Association of Community Colleges.
- (B) The term of office of one student member of the board shall commence on July 1 of an even-numbered year and expire on June 30 two years thereafter. The term of office of the other student member of the board shall commence on July 1 of an odd-numbered year and expire on June 30 two years thereafter. Notwithstanding subparagraph (A), a student member who graduates from his or her college on or after January 1 of the second year of his or her term of office may serve the remainder of the term.
- (C) During the first year of a student member's term, a student member shall be a member of the board and may attend all meetings of the board and its committees. At these meetings, a student member may fully participate in discussion and debate, but may not vote. During the second year of a student member's term,

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a student member may exercise the same right to attend meetings of the board, and its committees, and shall have the same right to vote as the members appointed pursuant to paragraphs (1) and (3).

- (D) Notwithstanding subparagraph (C), if a student member resigns from office or a vacancy is otherwise created in that office during the second year of a student member's term, the remaining student member shall immediately assume the office created by the vacancy and all of the participation privileges of the second-year student member, including the right to vote, for the remainder of that term of office.
- (3) Two tenured faculty members from a community college, who shall be appointed for two-year terms. The Governor shall appoint each faculty member from a list of names of at least three persons furnished by the Academic Senate of the California Community Colleges. Each seat designated as a tenured faculty member seat shall be filled by a tenured faculty member from a community college pursuant to this section and Section 71003.
- (c) The Governor, the Lieutenant Governor, and the Superintendent of Public Instruction shall each serve, ex officio, as voting members of the board of governors.

SEC. 38.

- *SEC. 23.* Section 71090 of the Education Code is amended to read:
- 71090. (a) The board shall appoint, and fix the compensation of, a chief executive officer, to be known as the Chancellor of the California Community Colleges, and up to six deputy and vice chancellors.
- (b) The chancellor shall execute the duties and responsibilities as may be delegated to him or her by the board. Whenever in this code a power is vested in the board, the board, by a majority vote, may adopt a rule delegating that power to the chancellor or any officer, employee, or committee as the board may designate. The rule shall prescribe the limits of the delegation.

SEC. 39.

- SEC. 24. Section 71090.5 of the Education Code is repealed.
 SEC. 40.
- 37 SEC. 25. Section 71092 of the Education Code is amended to 38 read:
- 39 71092. (a) (1) It is the intent of the Legislature to 40 compensate the employees of the Board of Governors of the

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California Community Colleges at a level comparable to the total compensation paid to community college district employees who perform similar functions.

- (2) In a manner consistent with the intent of the Legislature expressed in paragraph (1), the board of governors shall employ and fix the compensation, in accordance with law, of assistants, clerical, and other employees, including the managerial and professional employees that it appoints, as it deems necessary for the effective conduct of the work of the board and the chancellor's office.
- (3) In accordance with Section 19825 of the Government Code, the Legislature specifically provides that the approval of the Department of Personnel Administration is not required for the implementation of this subdivision.
- (4) Pursuant to Section 19818.14 of the Government Code, the Department of Personnel Administration shall designate the board of governors to allocate positions to the Personnel Classification Plan in accordance with Section 19818.6 of the Government Code.
- (b) Notwithstanding Section 19849.5 of the Government Code, the board of governors shall designate the headquarters for each of its employees, except as provided in Section 71004.

22 SEC. 41.

- SEC. 26. Section 87482.4 of the Education Code is amended to read:
- 87482.4. The Legislature finds and declares that, in the state's community college system, teaching constitutes a greater share of the faculty workload, as compared to the California State University or the University of California systems. California's community college system requires that a faculty member hold, as a basic qualification, a master's degree. Furthermore, the community college system uses a different professional review process, as compared to the California State University or the University of California systems.
- 34 SEC. 42.
- 35 SEC. 27. Section 99181 of the Education Code is repealed.
- 36 SEC. 43.
- 37 SEC. 28. Section 99182 of the Education Code is repealed.